Planning to buy coal mines abroad

107. SHRI S.M. LALJAN BASHA: Will the Minister of COAL be pleased to state:

(a) whether Government have bought coal mines abroad directly or through PSUs coal companies;

(b) the details of such plans, deals and projects;

(c) whether it is necessary to buy a coal mine to import coal; and

(d) the reasons behind the plans to buy coal mines abroad?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYAN RAO): (a) No, Sir.

(b) Coal India Limited is interested in acquiring coal mines abroad to bridge the demand supply gap for coking coal and superior grade non-coking coal.

In this regard, officers of the Coal Videsh Department of Coal India Ltd. visited Mozambique, Zimbabwe and South Africa with a view to explore the possibility of acquiring stakes in operating mines/new projects under implementation and also in green field coal blocks. In South Africa, there are limited coking coal reserves and therefore opportunities exist in low ash thermal coal only. CIL is given to understand that the coal MNCs like BHP Billiton, Rio Tinto or Anglo Coal do not have much resources for entering into a joint initiative. Thus opportunities for strategic entry in South Africa exist through partnership with Black Economic Empowerment (BEE) organization, which are working in coal sector. CIL had meeting with the major BEE coal companies like Kumba resources, Eyesizwe, Shanduka who have expressed their intention to examine the issue for entering into partnership with CIL.

In Zimbabwe, there are prospects for both coking and low ash thermal coal. In this direction CIL is already in a progressive stage for entering into partnership in exploration and development of two coal blocks under the concession of M/s. Zimbabwe Electricity Supply Authority (ZESA) Holdings Pvt. Ltd., which is an undertaking of Zimbabwe Government.

As far as Mozambique is concerned, there are rich coking coal reserves, which are still under the stage of exploration. While CIL is in the process

of identifying a block for acquiring the exploration right, it has also started dialogue for partnership with several companies who have the exploration licenses in coal bearing Tete province.

(c) No, it is not necessary to buy coal mines to import coal.

(d) The domestic reserves of metallurgical and low ash thermal coal, which have the techno-commercial viability for extraction, are limited and cannot meet the demand level. Acquiring coal mines/properties abroad will enhance the energy security of the Nation.

Government's plan to permit coal mining by standalone companies

10& SHRIMATI SHOBHANA BHARTIA: Will the Minister of COAL be pleased to state:

(a) whether Government's plan to permit coal mining by standalone mining companies that have tied up firm supply contracts with power, steel and cement companies to become operational;

(b) whether the Law Ministry has also accorded its nod to the proposal and mining companies having firm supply contracts with approved users can undertake mining coal blocks reserved for captive users even without amending the Coal Mines Act, 1973;

(c) if so, whether any concrete programme or action plan has been prepared by the Ministry in this regard; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYAN RAO); (a) to (d) Yes, Sir. The Government after taking into account the legal opinion received from the Learned Attorney General of India, through the Ministry of Law, has decided to allow coal mining by independent mining companies on the condition that the entire mined coal would be transferred to the end use company/companies for the specified end uses. The guidelines for the allocation of coal blocks have been amended accordingly.